

Section 1: Introduction

California's Ocean and Coastal Resources

California is blessed with spectacular ocean and coastal resources along its entire 1,100 mile coast. The ocean serves as a source of food, recreation, and energy resources, and provides a critical transportation link between California and other states and nations. As California meets the challenges of the 21st century, its rapid population growth, increasing cultural diversity, and growing economic base will continue to place demands on the state's ocean and coastal resources, making management of these resources increasingly complex. Addressing these management issues requires consideration of ocean and coastal resource stewardship, economic sustainability, research, education and technological capability, as well as rational and effective governance. California's plan to implement the Coastal Impact Assistance Program (CIAP) is crafted to provide an improved and coordinated approach to addressing these subjects.

Resource Stewardship

Habitats within California's ocean ecosystem contain some of the most biologically diverse natural communities in the world. California's ocean ecosystem includes habitats located within inland watersheds, enclosed coastal waters (bays, estuaries, lagoons, wetlands), nearshore ocean waters, and the waters located far offshore. Onshore, an extensive system of inland waterways provide seasonal habitat for various marine species, as well as freshwater and nutrient flows. Offshore, several major oceanic factors, such as the California and Davidson Currents and a hydrological phenomenon known as upwelling, contribute essential nutrients to nearshore and deep ocean waters.

There is growing recognition that the majority of impacts to California's enclosed waters and nearshore ocean zones derive from pollution generated on land and then transported through inland waterways to the ocean. A variety of ocean and coastal industries, including commercial and sport fishing, mariculture, biotechnology, tourism, and recreation, depend on the entire ecosystem upon which California's ocean and coastal resources depend. Long-term maintenance and enhancement of the state's ocean and coastal resources can only be achieved with coordinated efforts to manage California's entire ocean ecosystem (i.e., resources located on both land and sea). For these reasons, California's CIAP plan provides a comprehensive approach to addressing key stewardship concerns related to coastal access, ocean and coastal habitats, marine life and fisheries, shoreline erosion, and watershed issues.

California Coastal Economics – Global Implications

California's population increased from 18 million people in 1964 to almost 34 million people today – and that number continues to grow. Approximately 80% of California's residents live within 30 miles of the coast. In 1992, California was estimated to have directly and indirectly generated \$17.3 billion from seven "ocean dependent" industries. Coastal tourism accounted for nearly \$10 billion of this total, and coastal ports about \$6 billion. California's economy is dependent upon coastal tourism and on commerce relating to the transportation

of goods through its ports, in addition to other sources of coastal revenue. Since California represents the sixth largest economy in the world, the global implications of the state's economic activity are significant. Unfortunately, data regarding California's ocean and coastal resources and their contribution to local, state and national economies is lacking or in need of updating. California's CIAP plan proposes to gather and update elements of this important economic information.

Research, Education and Technology Development

The goals of ocean and coastal resource protection and management cannot be achieved without adequate knowledge of the factors that contribute to (or detract from) the health of California's ocean ecosystem. Monitoring and research projects in ocean, coastal, and inland watershed environments are vital to understanding the impacts of human and natural activities, and for determining if modifications are necessary to reduce or prevent such impacts.

Sound research (both basic and applied) and monitoring provide a necessary basis for decision-making. Science, however, does not often rapidly influence policy-making and decision-making. The California Ocean Resources Stewardship Act of 2000 authorizes the creation of an ocean trust to help fund ocean research projects, to seek additional funds for ocean research projects, and to encourage coordinated multi-agency approaches to marine sciences. California's CIAP plan proposes to begin funding and implementing this important piece of legislation, in combination with other more specific proposals to conduct ocean and coastal research and monitoring.

Governance

The waters off the California coast include a complex array of state, federal, and international jurisdictions, including state tidelands and submerged lands (State Tidelands), and the outer continental shelf, territorial sea, contiguous zone, exclusive economic zone and high seas. These jurisdictions include areas of offshore ownership, sovereignty, various forms of mineral, fishery, and national security rights, or regulatory controls. A common theme in California's CIAP plan is the need to bring together multiple government agencies, industry, academia, and the public to more effectively manage ocean and coastal resources. This approach seeks to integrate the needs and concerns of multiple stakeholders to ensure lasting and sustainable approaches to management.

In summary, California's ocean and coastal resources, and the economic base they support, will benefit substantially from the proposals identified in this plan. These benefits will be gained not only in California, but also nationally and internationally.

Coastal Impact Assistance Program

The Coastal Impact Assistance Program (CIAP) was authorized by Congress under §903 of the Commerce, Justice, State (H.R. 5344) Fiscal Year 2001 Appropriations Act to assist states in mitigating the impacts associated with outer continental shelf (OCS) oil and gas production. Congress appropriated \$150 million to the National Oceanic Atmospheric Administration (NOAA) to be allocated to seven coastal states, including California. This

money is to be used to undertake a variety of projects for protecting and restoring coastal resources.

Under a one-time authorization, California will receive \$15,477,740 that is to be apportioned between the state and eligible local coastal political jurisdictions (in the case of California, these are coastal counties). Distribution of these funds is based on a formula defined in H.R. 5344 that includes the length of coastline, coastal population, and proximity to existing offshore oil and gas development. In addition, the legislation requires that 65% of the funds are distributed to state governments and the remaining 35% are distributed to local coastal political jurisdictions. Under this allocation scheme, the state's share is approximately \$10 million; approximately \$5.4 million is earmarked for eligible coastal counties to undertake projects. The twenty eligible coastal counties are Alameda, Contra Costa, Del Norte, Humboldt, Los Angeles, Marin, Mendocino, Monterey, Napa, Orange, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, and Ventura.

Authorized Uses of CIAP Funds

H.R. 5344 and a NOAA guidance document identify categories of authorized uses for expenditure of CIAP funds, including:

- Wetlands protection, conservation, and restoration;
- Implementation of federally approved management plans;
- Mitigating impacts of OCS activities;
- Administrative costs of the CIAP;
- Oil spill removal and contingency planning; and
- Uses set forth in the new section 32(c)(4) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) including resource conservation, research, assessment, water quality activities, watershed protection, erosion control, and others.

The authorized uses can be found in their entirety in the June 5, 2001 document titled, *NOAA Revised Program Administration and Plan Development Guidance for the Coastal Impact Assistance Program*. Copies of the guidance document can be requested from NOAA via the Internet at www.ocrm.nos.noaa.gov/czm/.

After conducting a review of all state and county CIAP proposals, the State of California certifies that all proposals set forth in this draft plan are consistent with the identified authorized uses.

Designated State Agency

To facilitate a coordinated approach for the national CIAP, each eligible state designated a state official and agency as a lead contact for the National Oceanic and Atmospheric Administration's Office of Coastal Resource Management. On February 6, 2001 California Governor Gray Davis designated Secretary for Resources Mary D. Nichols as the lead state official and the California Resources Agency as the lead state agency in developing the state's Coastal Impact Assistance Plan (see Appendix A for a copy of this letter).

Governor Davis designated the Secretary for Resources as the lead state official for developing California's Coastal Impact Assistance Plan because she is the cabinet level official in California delegated responsibility for marine and coastal matters. Specifically, 1991 amendments to the California Ocean Resources Management Act transferred responsibility for all non-statutory marine and coastal resource management programs to the Secretary for Resources and created the California Ocean Resources Management Program (Ocean Program) within the Resources Agency.

Duties and responsibilities transferred include all executive branch delegations regarding review and coordination of federal OCS oil and gas lease sales and development projects; policy coordination of resources management and uses in the exclusive economic zone; state representation to the Coastal States Organization and the Department of the Interior's OCS Policy Committee; and any other involvement in marine and coastal resource matters. While the authority for a majority of ocean resource management issues rests with the Resources Agency, the California Environmental Protection Agency oversees development of ocean water quality standards and regulation of waste discharges to the marine environment.

The Secretary for Resources oversees the activities of 27 departments, boards, commissions and conservancies, collectively referred to as "departments" (see Appendix B for a complete list). The Governor's proposed fiscal year 2001-02 budget for these departments is \$5.2 billion. The CIAP will have broad application to a variety of departments within the State of California government. The Secretary for Resources is well placed to coordinate the participation of these departments, as well as the eligible coastal counties in California.

Public Participation

On February 13, 2001 the Resources Agency convened two meetings in Sacramento for the purpose of disseminating information to coastal counties, state government agencies, and other organizations such as the Association of Bay Area Governments, Nature Conservancy, and Center for Marine Conservation. Subsequent to these meetings, Resources Agency staff continued public outreach with interested parties through one-on-one meetings, phone conversations, written correspondence, and electronic mail.

As required by the enabling legislation, the Resources Agency will commence a 30-day public review and comment period, ending on November 26, 2001. During this period the draft CIAP plan will be distributed to the state's 20 eligible coastal counties, all departments within the Resources Agency, and other interested parties. Special review will be solicited from two of the state's Coastal Zone Management agencies, the California Coastal Commission and the San Francisco Bay Conservation and Development Commission (this is in addition to the review under the requirements of federal consistency certification).

Consistency with California's Coastal Zone Management Program

The federal Coastal Zone Management Act (CZMA) of 1972 requires that all proposed federal and federally authorized activities, development projects, permits and licenses, and support to state and local governments be reviewed by that state's CZMA implementing agency for consistency with its approved coastal management program. For all of the California Coast, except San Francisco Bay, the state agency responsible for implementing the CZMA is the California Coastal Commission (Coastal Commission). In the San Francisco Bay Area, the CZMA administering agency is the San Francisco Conservation and Development Commission (BCDC).

The CIAP is a federal activity, and therefore the state's CIAP plan will be subject to consistency review by the state's two CZMA agencies. However, because the CIAP legislation requires the Governor to certify to NOAA that all the proposed state and local projects are consistent with the federal CIAP, federal consistency review is required for the plan only and not each expenditure proposed within the plan.

Coastal Commission and BCDC consistency review will take place concurrent to the NOAA review and approval process (i.e., shortly after completion of the state's 30-day public comment period and after necessary revisions have been made to the draft plan).

Coordination with Federal Programs

The Resources Agency, its departments, and numerous counties have made a concerted effort to include federal entities such as the national marine sanctuaries and the national estuarine research reserves (NERRs) as project partners (e.g., Monterey Bay National Marine Sancturay and Elkhorn Slough National Estuarine Research Reserve). Similarly, these same entities have made a concerted effort to propose the implementation of federal or federally related programs through the CIAP (e.g., supporting the NERRs, protecting endangered species, and testing for nonpoint source pollution).

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